News Release Communiqué

Ministry of the Environment Ministère de l'Environnement



For Immediate Release April 10, 2006

HYDRO ONE NETWORKS INC FINED \$60,000 TODAY FOR VIOLATING THE ONTARIO WATER RESOURCES ACT

WHITBY — Hydro One Networks was fined \$60,000, plus a victim fine surcharge, today after pleading guilty to violating the Ontario Water Resources Act (OWRA).

Hydro One Networks Inc. operates the Cherrywood transformer station located at 2275 Fairport Road North in the City of Pickering.

The Court was told that on October 1, 2003 one of the station's transformers exploded, rupturing the transformer tank that contained about 150,000 litres of mineral oil. Some of the mineral oil fluid made its way from a containment area around the transformer to an internal storm sewer system, then along a ditch and then into a City of Pickering storm sewer. The mineral oil was then discharged through the city storm sewer into the waters of Pine Creek and along the banks.

An assessment indicated the mineral oil impaired or was likely to impair water quality in the creek by contaminating the sediment and by fouling vegetation along the banks. A sheen was observed on the creek surface and the spill caused a noticeable odour.

The Court was told that Hydro One spent almost \$6,000,000 to recover mineral oil and to undertake remedial work. All but 500 litres of mineral oil was recovered. In addition, Hydro One's work enhanced the appearance of the creek area by removing significant waste materials. The Court was also told that Hydro One paid the costs of an invoice that Pickering submitted for its clean up costs and was told there are no long-term negative impacts associated with the spill.

Following an investigation by the ministry's Investigation and Enforcement Branch, charges were laid.

Hydro One Networks Inc. pleaded guilty to causing or permitting the discharge of a material into or in any waters that may impair the quality of the water contrary to Section 30 (1) of the OWRA and was fined \$60,000, plus a victim fine surcharge. Justice of the Peace Dolly V. Mecoy heard the case in the Ontario Court of Justice in Whitby, Ontario, on April 10, 2006.

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